



# **NOTICE TO STATE WATER PROJECT CONTRACTORS**

NUMBER: 97-03

DATE: February 5, 1997

SUBJECT: 1997 Sale of Project Water  
for Use Outside Service Area

FROM:   
*Director, Department of Water Resources*

The Department of Water Resources is offering to interested contractors who have signed the Monterey Amendment, the opportunity to sell allocated 1997 entitlement water through turn-back water pools. The procedures for administering the program are described in Article 56 of the long-term Water Supply Contracts. There will be a Pool A and Pool B. A participating State Water Project contractor may sell allocated 1997 annual entitlement that it will not use within its service area, provided the contractor did not store allocated 1996 entitlement water outside its service area.

To participate in the program either as a seller or buyer, a SWP contractor must sign and date the attachment to this notice, agree to the terms and conditions in this notice and the attachment, and mail the attachment to Donald R. Long, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Signed and dated attachments must be received by February 14, 1997.

If you have any questions about this program, please contact Don Long, at (916) 653-4313 or Dan Flory at (916) 653-5942.

Attachment

# **1997 Sale of Project Water For Use Outside Service Area**

## **Criteria**

1. The program is available to contractors that have signed the Monterey Amendment. The 1997 turn-back pools are subject to the criteria and provisions included in Article 56 of their long-term Water Supply Contracts.
2. Sales and purchases of turn-back water by participating contractors shall not affect the allocation of entitlement water to contractors in 1997.
3. Delivery priority of turn-back water will be as described in Article 12 of the long-term Water Supply Contract.
4. Delivery of turn-back water may be limited by operational capacity in State Water Project facilities or as a result of changed operational conditions.
5. Turn-back water may be stored outside of the purchasing contractor's service area. The location of this storage may be inside or outside of the State Water Project service area, but must be consistent with water rights permits.

## **Scheduling and Charges**

6. A contractor offering to sell turn-back water in Pool A must notify the Department on or before Friday, February 14. The Department will notify all participating contractors of the availability of water through Pool A on February 18.
7. A contractor willing to buy turn-back water through Pool A must submit its written request to the Department by 5:00 p.m. Friday, February 28. The price for such water will be \$11.32 for each acre-foot of water purchased (50 percent of the Delta Water Rate).
8. A contractor offering turn-back water for sale through Pool A may cancel its offer, in writing, no later than March 5 for any water that remains unsold.
9. Pool B water consists of turn-back water offered after February 14 and on or before Friday, March 14, and any unsold water from Pool A. A contractor offering any turn-back water for sale in Pool B must notify the Department on or before March 14. The Department will notify all participating contractors of the availability of water through Pool B on Monday, March 17.
10. A participating contractor willing to buy turn-back water through Pool B must submit its request to the Department on or before April 1. The price for such water will be \$5.66 for each acre-foot of water purchased (25 percent of the Delta Water Rate).

11. For any water that remains unsold in Pool B, the offering contractor may cancel its offer, in writing, no later than April 4.
12. If there is any water remaining in Pool A or Pool B, the Department may purchase any portion of the unsold water.
13. The Department will notify the buyers and sellers of the results of sales through Pool A and Pool B on March 3 and April 2, respectively.
14. All money from water purchases will be credited to the offering contractors in proportion to the amount of water turned back by each contractor during each sale.
15. A contractor selling or purchasing turn-back pool water will be required to confirm its sales or purchases through agreements with the Department.
16. A contractor purchasing turn-back water should submit its revised delivery request to the Department as early as possible.
17. Sales of turn-back water shall undergo environmental review as provided by existing law.
18. The 1997 turn-back pool program shall not necessarily be a precedent for future programs.

In order to sell or purchase turn-back water under Article 56 of the contractor's long-term Water Supply Contract, please sign below in the space provided and return this attachment to the State Water Project Analysis Office. A contractor's signature indicates acceptance of the criteria, procedures, and charges for this program.

ACCEPTED:

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AGENCY:

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DATE:

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AUTHORIZED REPRESENTATIVE: